

TESTIMONY OF FRANK PATTON
PRESIDENT AND CFO, POMPEIAN, INC.

before the
U.S. International Trade Commission

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Good morning. My name is Frank Patton, and I am the President and CFO of Pompeian Olive Oil Company, a leading U.S. importer of olive oil and other Mediterranean foods based in Baltimore, Maryland. Thank you for the opportunity to present my perspective on some of the issues the Commission is investigating. In particular, I would like to explain how Pompeian, as a leading U.S. brand of olive oil, has worked hard to establish the trust that U.S. consumers now have in our products, and why that trust is justified.

Pompeian has been an importer of high-quality olive oils for over a hundred years. Since the company's start in 1906, Pompeian has been importing olive oil in bulk, then blending and bottling at our Baltimore facility under a tightly controlled quality assurance programs. My involvement with the company dates to the mid-1970s, and I have been the President and CFO since 1997. During my time with Pompeian, the company's U.S. market share has more than doubled. We are now a leading brand in both U.S. extra virgin olive oil sales and total olive oil sales. I believe we could only achieve this growth by maintaining the integrity of our brand. We have earned the trust of American consumers through the consistent delivery of fresh and genuine products.

While Pompeian markets a number of different types of olive oil, I would like to comment briefly on our extra virgin olive oil, which is known for its unique Pompeian flavor

profile. We have traditionally achieved this unique flavor profile through reliance on Spanish oil from olive varietals that tend toward a sharper taste. On its own, the Spanish extra virgin olive oil we source has a distinctive peppery flavor and burn that is stronger than oils typically produced in Italy, Northern Africa, or even California. We therefore strive to blend the Spanish extra virgin olive oils with milder extra virgin olive oils to maintain an overall flavor profile that is somewhat sharper than most of the competing brands. Of course, managing a steady flow of the right combination of oils to consistently achieve the Pompeian flavor profile is a never-ending task. Right now, for example, we are adjusting our sourcing to deal with Spain's severe drought and reduced olive production.

In addition to our flavor profile, Pompeian bases its sourcing decisions on other factors such as shelf life. Just as olives differ tremendously in flavor and various physical characteristics, so does the stability of the oils made from them. We take this stability into account in our blending process to maximize shelf life. To further enhance the shelf life of our extra virgin olive oils, we pack them in bottles designed to limit the penetration of ultra-violet light.

Regardless of the oil or its source, Pompeian maintains a rigorous testing program to ensure that oil meets our stringent specifications at every stage of transportation, processing, and distribution. Our Vice President for Quality Control and Assurance, a PhD chemist, oversees this program. We conduct chemical and sensory tests of samples before we purchase the oil from our suppliers. The oil is tested again before it enters our facility. But that is only the beginning. We continue to test our oil as it moves through the various stages of processing at our Baltimore facility, from storage through filtering, blending, and bottling. Our testing continues after the bottled oil leaves our plant. We have samples purchased from retail shelves and tested by both

our in house lab, as well as IOC certified labs. Our process and records allow us to trace any product all the way back to the oil producer.

In addition to our internal testing program, Pompeian participates in the USDA's voluntary Quality Monitoring Program. Pompeian has invested significant resources and taken the initiative to work with USDA as the first U.S. olive oil company to participate in its Quality Monitoring Program. Under this program, Pompeian has agreed to submit to random, unannounced USDA visits to our Baltimore facility and testing of our products at USDA labs. The USDA inspectors verify sourcing documentation and traceability, and randomly select bottles of olive oil from multiple pallets ready for shipment for outside testing. This program tests for consistency with the USDA grade standards for olive oil, and includes both chemical and sensory analysis.

Based on Pompeian's participation in the USDA's Quality Monitoring Program, our customers can be assured that we are complying with the USDA standards. And as Eryn noted, Pompeian also participates in the NAOOA Quality Seal program. We want to be absolutely sure that a consumer can pick up a bottle of our extra virgin olive oil and *know* that is what the bottle contains. We also hope that our participation will inspire other olive oil companies, including domestic olive oil producers, to follow suit.

Finally, Pompeian has a state-of-the-art facility that meets the highest standards for food manufacturing. For example, we apply third-party audits for GMP, kosher, certified organic, and HACCP plans. We would be pleased to offer you a tour of our facility, just up the road in Baltimore, so you can see for yourself the extraordinary lengths to which Pompeian has gone to ensure a clean and reliable process.

Thank you, and I look forward to answering any questions you may have.